

**TOP SECRET**

23 June 1958

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# CENTRAL INTELLIGENCE BULLETIN



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# CENTRAL INTELLIGENCE BULLETIN

23 June 1958

## DAILY BRIEF

### I. THE COMMUNIST BLOC

Czechoslovakia: Prague officials are said to be dissatisfied with the recent CEMA conference decisions, which apparently require the Czechs to reduce consumer goods production and thereby lower their relatively high standard of living. Party First Secretary Novotny may seek a reappraisal of Czechoslovakia's role in the plan to integrate the bloc economy when he visits Moscow on 2 July.

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*no* \* USSR-Lebanon: Soviet propaganda has carefully avoided committing the USSR to any specific course of action. The USSR, however, is seeking to convey the impression that it is opposed to Western action in Lebanon by propaganda charges of Western preparations for military intervention. In addition, a Soviet member of the UN Secretariat was used privately to warn a US official that the USSR would immediately send "volunteers" to oppose any American intervention.

25X1

### II. ASIA-AFRICA

25X1

*no*

Yemen: The Imam is planning a 20-day trip to Italy in the near future for reasons of health. In his absence, the rivals for the succession, Crown Prince Badr and the Imam's brother, Prince Hassan, are to govern jointly. A struggle could break out if Hassan makes some move to supplant Badr, whose pro-Soviet views have incurred the Imam's displeasure.

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DAILY BRIEF

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25X1

*yes*

North Africa: Tunisian, Moroccan, and rebel Algerian leaders meeting in Tunis last week reaffirmed their common commitment to the goal of Algerian independence and took further steps toward the eventual creation of a North African federation. Establishment of an Algerian government-in-exile was again deferred. However, the decision to proceed with the formation of a "provisional consultative assembly" for North Africa promises to enhance the status of the FLN rebel leaders and to associate Morocco and Tunisia more intimately with the FLN. [REDACTED]

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*yes*

Morocco-France: Morocco has notified Paris it is ready to discuss the French offer to withdraw most of its ground forces if Morocco will grant France training bases. Because of strong public pressure for complete evacuation, negotiations may be difficult. [REDACTED]

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### III. THE WEST

*yes*

France: French Communist activity now apparently centers on organizing "committees of republican defense" and on preparing all-out demonstrations against De Gaulle on 14 July. These efforts are hampered by continuing lack of enthusiasm among the party rank and file and by the strong French reaction to the executions in Hungary. [REDACTED]

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DAILY BRIEF

iii

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**Venezuela:** Opposition within the armed forces against junta President Admiral Larrazabal is rising, partly as a result of his weakness in the face of the civilian demonstrations of 17 June. The army, air force, and national guard may need only a little more provocation to stage a coup against him.

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DAILY BRIEF

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## I. THE COMMUNIST BLOC

Czechoslovakia Reported Displeased With CEMA Assignment

The US Embassy in Prague reports that the Czech party is displeased with the orders it received at the recent CEMA conference in Moscow to reduce consumer goods production. The embassy received one report that party First Secretary Novotny "walked out" of the meeting in disgust.

According to the embassy, recent developments tend to substantiate this reported dissatisfaction. Novotny returned to Prague immediately following the CEMA conference without remaining for the Warsaw Pact meeting which the other satellite party first secretaries attended. Premier Siroky displayed "hypersensitivity" when the US ambassador [redacted]

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[redacted] mentioned Czechoslovakia's acceptance of Soviet dictation not to participate in the Marshall Plan. US tourist requests to visit an automobile factory, reportedly affected by the CEMA dictum, have recently been refused, a departure from earlier practice. Finally, the embassy reports that some press comments on the CEMA conference hinted at local dissatisfaction with the role allotted Czechoslovakia and rumors of a last minute recall of the party paper on 17 June appeared to be confirmed by its late delivery to the embassy that day.

According to the story circulating in Prague, CEMA ordered a Czech cutback in consumer goods production of from 80 percent of that needed for domestic consumption to 50 percent. This would affect particularly the private automobile and fruit canning industries. Novotny is reported to have replied that this would cause a serious curtailment of living standards and create political difficulties by increasing the social dissatisfaction already prevalent as a result of the economic reorganization now under way.

Novotny may be prepared to present his case more firmly when he visits Moscow on 2 July, although the USSR probably feels Czechoslovakia is better prepared both politically and economically than any other satellite to participate in economic cooperation for the good of the bloc. [redacted]

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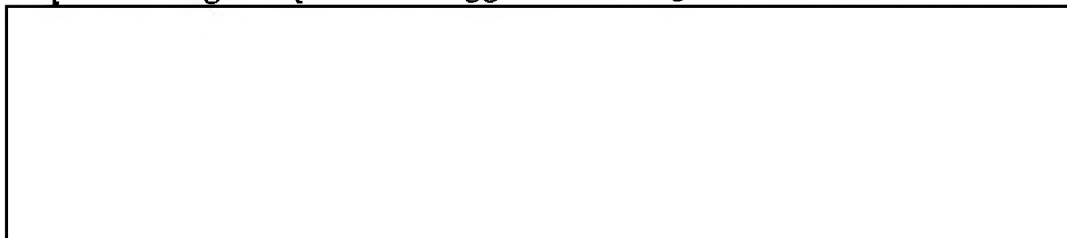
### USSR Displays Caution in Lebanese Crisis

The Soviet Union has so far shown considerable caution in its efforts to exploit the Lebanese rebellion. It has refrained from a heavy propaganda and diplomatic offensive comparable to that mounted during the Turkish-Syrian dispute in the fall of 1957 and the Suez crisis in 1956. Moscow's caution and restraint probably have been dictated by its unwillingness blatantly to identify itself with the rebel attack on the legitimate regime of President Chamoun and thus expose the USSR to charges of interference in Lebanon's internal affairs.

Moscow's caution probably also reflects the uncertainty of the Soviet leaders as to the likelihood of Western military intervention in behalf of the Lebanese Government. Soviet propaganda has attempted to discourage Western intervention by a steady stream of charges that the United States, Britain, and France are making preparations, under cover of the UN Observer Group, for military action. A Soviet member of the UN Secretariat told an American official on 20 June that the USSR fears that the United States, under British pressure, would land marines in Lebanon. He warned that if this occurs, the USSR would immediately send "volunteers" to oppose such action.

The choice of a Soviet member of the UN Secretariat, who later could more easily be disavowed than an official of the Soviet UN delegation, reflects the Soviet leaders' unwillingness to commit themselves to any specific course of action at this time. The Soviet press has published, but without comment, appeals by Syrian and Lebanese rebel sources for volunteers from "Arab and other friendly peoples" to repel any Western intervention.

If the Soviet leaders should come to believe that the possibility of Western military action has diminished or disappeared, they may adopt a more active role, including implied threats of Soviet counteraction, and then claim subsequent credit for again preventing "imperialist aggression" against an Arab state.



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### Political Rivalry May Intensify Among Yemeni Princes

Imam Ahmad's absence from Yemen during his forthcoming visit to Italy may bring an intensification of the rivalry between his brother, Prince Hassan, and his son, Crown Prince Badr. The date of the Imam's departure has not been announced, but he reportedly wishes to leave as soon as possible on a 20-day trip to take a "hot-springs cure." The two rivals for succession to the throne are reported slated to govern jointly during this period.

Badr is now in Cairo discussing the implementation of the United Arab States agreement with the UAR and the Aden-Yemen border situation, and he will presumably return to Yemen prior to the Imam's departure. Until this spring, the Imam appeared determined that Badr would be his successor. Recently, however, he has had doubts about his son's pro-Soviet views, and this may be related to Hassan's recall to Yemen last month.

Hassan, who had been serving with the Yemeni UN delegation in New York, was given a welcome of "unconcealed enthusiasm" upon his return. He had been considered out of favor with the Imam, and his duty abroad appeared to be a semiexile. His recall and appointment to joint governorship with Badr suggest a significant change in his brother's attitude.

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Tunisian, Moroccan, and rebel Algerian leaders, who met in Tunis last week to reappraise their position in the light of recent developments in Algeria and France, have reaffirmed their determination to work for Algerian independence and an eventual North African federation. A joint communiqué issued on 20 June after four days of tripartite meetings--described locally as "sessions of the Permanent Secretariat of the United Arab Maghreb" envisaged by the conference of North African political parties held last April at Tangier--categorically rejected proposals, recently revived by French rightists, to "integrate" Algeria with France. The communiqué stated that recognition of Algeria's "right to sovereignty and independence" is the sole basis for a solution to the French-Algerian conflict.

Morocco and Tunisia, anxious to avoid new complications in their momentarily improved relations with France, again avoided the issue of an Algerian government-in-exile. However, the blurring of the line between Moroccan-Tunisian discussions publicized as being at "governmental level" and the simultaneous tripartite talks appears to have been deliberately designed to satisfy the desire of the Algerian National Liberation Front (FLN) for at least "near-government status."

The conferees' decision to proceed with the formation of a "provisional consultative assembly" for North Africa promises to enhance the FLN's stature. The growing formal ties of Tunisia and Morocco with the FLN will tend increasingly to inhibit any actions by Tunisia and Morocco which the FLN might consider inimical to its interests.

Although still highly skeptical of French Premier de Gaulle's willingness and ability to move toward an acceptable solution of the Algerian problem, top Tunisian and Moroccan leaders apparently feel every effort should be made behind the scenes to test De Gaulle's intentions. They can thus probably be expected to continue efforts to persuade the FLN to refrain from actions which might further impede eventual negotiations with France and to respond to any French overtures in that direction by indicating a willingness to settle for something less than immediate independence. Simultaneously, the two governments appear to be stepping up their attempt to induce Paris to make such overtures.

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Morocco Agrees to Negotiations for Evacuation  
Of French Troops

The Moroccan Government has formally responded to French proposals regarding a partial evacuation of French troops by renewing its oral request of last March that France make a solemn declaration that it is evacuating its troops from Morocco. When this declaration of intention is published, Morocco will negotiate a temporary arrangement for the retention by France of some air, naval, and possibly army training bases in Morocco.

The French Embassy believes it has reached tentative agreement with Morocco on certain aspects of the problem of French forces in Morocco, and will soon attempt to pin the Moroccans down to a formal agreement. The French propose a special regime of two months duration during which Moroccan restrictions on French troops would be relaxed and negotiations could be completed.

The American ambassador comments that the fact that Morocco has formally agreed to negotiate concerning the retention of French bases is a step forward and should facilitate negotiations. Nevertheless, two aspects of these proposed negotiations may prove difficult: the timing for the evacuation of troops along the Algerian border and the extent to which Morocco will cooperate with France on training facilities.

The precedent of the 17 June Tunisian-French agreement on the partial evacuation of French troops from Tunisia should prove helpful, in the view of the American ambassador.

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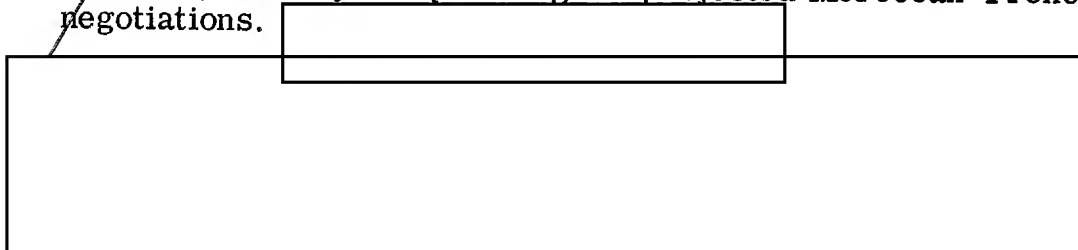
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A new clash between French and Moroccan military units in the undefined region of the Moroccan-Algerian border may excite popular demands for the evacuation of all foreign troops from Morocco, thereby complicating the projected Moroccan-French negotiations.

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### III. THE WEST

#### French Communist Party Tactics

The French Communist party is now pointing toward "all-out" anti-De Gaulle demonstrations for 14 July on a scale greater than those it mounted on 28 May against De Gaulle's investiture,

[redacted] The party still suffers from lack of enthusiasm among its rank and file, however, and will probably be further hampered by the strong French reaction to the executions in Hungary. The US Embassy reports that the Communist call for counterdemonstrations to the De Gaulle anniversary celebrations of 18 June went largely unheeded.

The party is reportedly prepared to resort to illegal methods of opposition to De Gaulle, but is avoiding provocative action for fear of being outlawed and because of its desire not to get too far ahead of the elements in the non-Communist left it hopes to attract into an eventual popular front. The party believes its main task is to arouse anti-De Gaulle sentiment, in alliance with the non-Communist left, and is concentrating on the formation of "committees of republican defense" to counter the committees of public safety. The embassy reports that the Communists apparently are also concentrating on generating opposition to the coming constitutional reforms and, more immediately, on supporting labor's demands for higher wages.

There has been no significant response from the non-Communist left on the popular front idea as yet, and it is reported highly skeptical of cooperation with the Communists. The embassy comments that cooperation would become more of a possibility if a clearly reactionary successor to the present De Gaulle government were in prospect. The two main non-Communist labor unions have condemned the Hungarian "acts of savagery" and warned that "nothing has changed in the doctrine or dealings of Stalinist Communism."

Growing Military Opposition to Venezuelan Junta May  
Result in Coup

Opposition within the armed forces against junta President Admiral Larrazabal is rising, partly as a result of his weakness and partly as a result of growing leftist influence. The possibility of a coup before the November elections has now increased. [redacted] the army, air force, and national guard need only a little more provocation to act, and there are indications that at least part of the navy agrees with them.

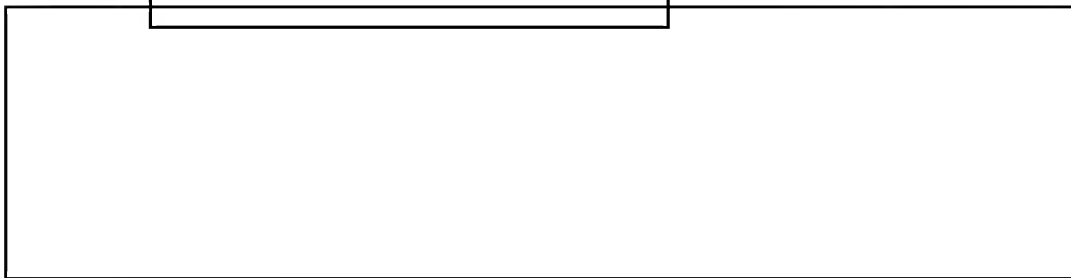
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The civilian demonstration on 17 June, protesting the dismissal of a leftist-linked engineer by the career military governor of the federal district and resulting in Larrazabal's rehiring of the engineer, is taken as further indication of Larrazabal's weakened control and of his responsiveness to civilian over military pressures. On the following day, quite possibly as a result of military insistence growing out of this incident, Larrazabal publicly renounced his ambition to run for the presidency in the November elections

The military are also apprehensive over the rising leftist influence. A recent indication that the minister of interior is pro-Communist has been strengthened by the appointment of a chief assistant with a pro-Communist history. Furthermore, the Communist party, which was legalized on 23 May, was given a seat on the 23-man Supreme Electoral Council named on 18 June. [redacted]

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